

One of the most serious charges of evasion of law, brought against the bank in 1832, was in the issue of branch drafts to circulate as currency. Several appeals were made in vain to Congress to modify one of the provisions of the charter requiring the president and principal cashier to sign all the circulating notes. The volume of circulation necessary to do business was so great that the physical labor of signature could not well be performed by those officers. Congress neglected to act and in 1827 an opinion was obtained from Horace Binney, in which Daniel Webster and William Wirt concurred, that there was no legal obstacle to the issue of checks drawn by officers of the branches upon the parent bank, printed for even amounts in similar form to banknotes. Drafts of this sort for \$5 and \$10 were authorized by the board of directors on April 6, 1827, and denominations of \$20 were issued in 1831. They became a common medium of circulation in the South and West and were accepted in payments to the United States Treasury.¹ The branch drafts outstanding in April, 1832, were \$7,410,090. They simply served the purpose of currency without conforming strictly to the intent of the law, in much the same manner as the checks of the London Cheque Bank or the temporary issues in the United States during the panic of 1893.

The Bank of the United States fell because so great an institution in a representative republic could not escape political entanglements and the suspicion of the abuse of political power. President Jackson surprised the financial world by the announcement, in his first annual message in 1829, that "Both the constitutionality and the expediency of the law creating the bank are well questioned by a large portion of our fellow-citizens ; and it must be admitted by all, that it has failed in the great end of establishing a uniform and sound currency/' The bank was at this time under the presidency of Nicholas Biddle, who succeeded

¹ Letter of Sec. Rush to Nicholas Biddle, Jan. 21, 1820. House Rep., 460, 22d Cong., 1st Sess., 55. The authority to receive these drafts for public dues was revoked by Secretary Woodbury, to take effect January 1, 1835.